

Economy may dictate dollar coins in '93

By Roger Boye

The inauguration of President-elect Bill Clinton on Jan. 20 could touch off an exciting era for coin buffs. Here's what to watch for in 1993 and beyond.

● **Circulating dollar coins.** Uncle Sam might save as much as \$860 million a year by replacing \$1 Federal Reserve notes with round dollars. But Congress has failed to pass legislation mandating gold-colored dollars, in part because the Bush administration believes that Americans would shun such money.

Dollar-coin advocates hope their cause will get a boost from Clinton, who wants to make substantial reductions in the federal budget deficit.

"It's ironic, but the best thing we have going for us is the rotten economy," said James C. Benfield, executive director of the Coin Coalition. "It would be silly [for Clinton] to ignore the \$1 billion [savings]." Dollar-coin legislation has been in every session of Congress since 1987.

Benfield and others downplay

concerns that consumers would not use a hard dollar. In recent years several industrialized countries have replaced low-denomination bills with coins to adjust for inflation, and not one has returned to paper.

● **New coin designs.** Earlier this year, the U.S. House rejected proposals that would have forced the government to put new designs on circulating coins. But the Treasury can order such changes without congressional approval, something the Clinton administration could do to generate extra revenue for federal coffers.

Canada has placed 12 different designs on its circulating quarters this year as part of the country's 125th anniversary of confederation. The program has boosted sales of Royal Canadian Mint products far beyond projections. U.S. Mint officials could reinvigorate their own marketing efforts by emulating the Canadians.

● **A Lincoln-penny farewell.** The one-cent coin may be living on borrowed time as inflation makes it all but worthless. Last year, the Treasury spent nearly 93 cents to make each \$1 worth of Lincolns, the country's most expensive coin on the basis of cost to face value.

Some lawmakers believe the government should eliminate the penny and force merchants to round cash sales to the nearest nickel. It is not known whether the Clinton administration would support this proposal as a way to reduce the budget deficit and

trim the waste that's created when people throw away their pennies.

● **New security devices for U.S. paper money.** The federal government has created a Securities Technology Institute to coordinate the testing of advanced counterfeit deterrents—such as holograms or reformulated inks—for use on "greenbacks." Some enhancements are inevitable as Uncle Sam tries to keep ahead of forgers using sophisticated computer technology.

Meanwhile, \$5 and \$10 bills with microprinting and polyester threads likely will make their debut in 1993. Higher-denomination currency with those security features already is in use.

● **Commemorative coins.** More "new issues" will be unveiled in the next four years than in any such period in U.S. history. On tap for 1993 are three coin types to commemorate President James Madison and the Bill of Rights, and three other coins to mark the 50th anniversary of World War II.

● **Rare-coin auctions.** The biggest sale of 1993 probably will be recorded in early February when a California company sells the King of Siam proof set at public auction. In 1990, two coin buffs paid \$3.19 million for the set, which contains one of 15 known 1804 silver dollars and eight other coins produced by the U.S. Mint. The set was assembled in the 1830s as a gift for the King of Siam (now Thailand).